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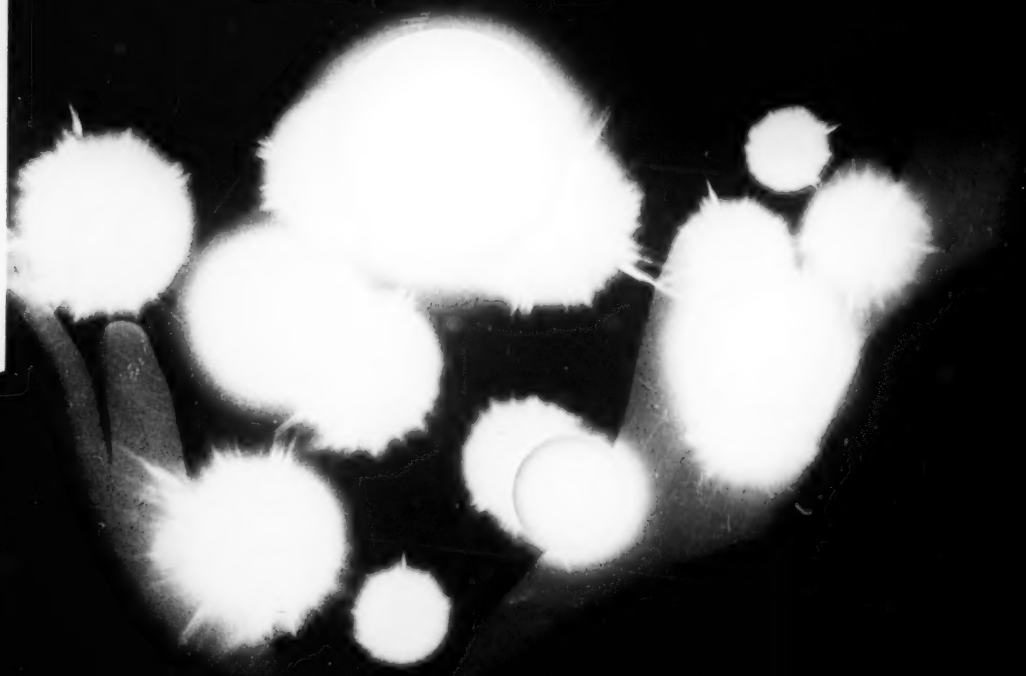
Working Together

How Companies Are Integrating Corporate Communications



PUBLIC RELATIONS JOURNAL

September 1990 Vol. 9

FEATURES

18 Working Together: How companies are integrating their corporate communications

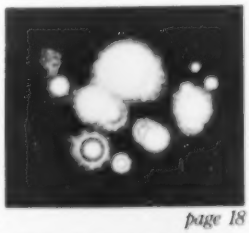
A growing number of companies are turning to integrated corporate communications to achieve maximum efficiency. Once their public relations goals are established, they're finding that success of the integrated messages depends on how well they support each other. Portfolios of three integrated campaigns revolving around this type of supporting messages are included.

James Foster

26 Corporate Advertising Expenditures: Steady growth continued in 1989

While overall corporate advertising expenditures continued to rise in 1989, the greatest increases were in the categories of cable TV and Sunday magazines. Meanwhile, network TV dropped for the first time. See how the trends in the nine major media groups compare.

James Foster



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Edited by Judy A. Gordon

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Cover art: *Steven Hunt/Image Bank*

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INSIDE TRACK

Communications that work ...how and where

More and more companies today are looking to integrated communications to ensure that the messages created by the various communications disciplines support overall corporate public relations objectives, and each other. While this seems to be common sense, it's hard to find corporate campaigns that truly fit this description, James Foster, president, Brouillard Communications, New York, New York, writes in our cover story *(page 18)*.

Central control over the planning process, and setting overall objectives before turning your specialists loose to develop the materials and messages to meet them are the keys to getting integrated communications off to a good start. Case studies of three campaigns that succeeded show how it can be done.

Those interested in *where* corporate image advertisements, often an important part of these communications programs, are appearing, can turn to page 26, the start of our annual report on corporate advertising expenditures in nine media categories. Among the more interesting trends in 1989: spending on cable TV almost doubled, while network TV declined.

There's another trend on the rise in the United States: Chapter 11 business bankruptcy filings. About 20,000 of these cases are filed each year, and in the face of current economic conditions, this is expected to continue. In our "Briefings" section, *PRJ* reports on how public relations practitioners are helping these troubled companies communicate and survive *(page 8)*. Also in this section, an update on the strategies practitioners have developed to defend against service taxes on public relations in a growing number of states.

Judy A. Gordon, Executive Editor

With only a few days on the job, I'm just getting a feel for what's important to our readers. That's a subject I hope you will feel free to discuss with me in the coming months. As a publishing team, we at the *Journal* will try to make your magazine relevant, readable and receptive to new ideas and approaches. I salute my new colleagues who've done such a good job putting out the *Journal* in the past few months. I look forward to the new challenge here at PRSA of covering a field that is dynamic, diversified and dedicated to a high standard of professionalism. And I especially look forward to meeting and talking with as many of you as possible.

Susan L. Fry, Editor

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The Public Relations Society of America (PRSA) is an individual membership professional society of 14,983 public relations practitioners. Its major services to members include programs of Professional Development and Accreditation, an Information Center, publications, tracking of issues of national concern, and promotion of ethical practice through adherence to PRSA's "Code of Professional Standards." PRSA's mission is "To serve the public need for understanding and cooperation among its diverse interests by fostering high professional and ethical standards for all those practicing public relations."

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Corporate Advertising Expenditures

Steady growth continued in 1989

In 1989, spending for corporate advertising once again grew faster than overall advertising expenditures, as corporate advertising continued the upward trend it has followed since *Public Relations Journal* began tracking outlays by corporations and professional associations in 1971. The most noticeable rise was in the categories of corporate cable TV network expenditures and Sunday magazine expenditures, while network TV declined.

According to 1989 figures provided by Leading National Advertisers/Arbitron Multi-Media Service, overall corporate ad spending rose 11.5 percent last year, to nearly $1.4 billion. The substantial increases in cable TV networks (91.2%), Sunday magazines – formerly classified as newspaper supplements – (86.3%) and network radio (37.2%), and lesser but still significant rises in consumer magazines, newspapers, and spot and syndicated TV, more than offset declines in outdoor advertising (17.2%) and network TV (7.6%). Media relations experts and publishers will note with interest that 1989's slump in network TV put consumer magazines ahead in corporate advertising dollars for the first time since 1986.

Professional associations followed a similar pattern, with spending rising, although not as dramatically, in all categories and declining in the same two: outdoor advertising and network TV. The 25 percent drop in network TV reversed years of increases, while outdoor advertising simply continued its downward spiral. Overall, association spending rose 6.2 percent to $1.28 billion, with the biggest increases in network radio (25.6%) and Sunday magazines (19.5%).

Individual corporate spenders in all top 10 positions – except second-ranked Ford Motor Co. – changed rankings on the list of nine-media corporate advertisers *(see tables, pages 28-29)*. Sears Roebuck & Co. rose from number eight in 1988 to replace AT&T as the number one corporate spender. Ford held its number two position while Chrysler, absent in 1988, returned to the list in third place. Campeau Corporation and Prudential Insurance took fourth and fifth place, respectively. IBM and Citicorp slipped a notch each to sixth and seventh positions, while General Electric descended to eighth from third place and General Motors dropped down to ninth from seventh. May Department Stores replaced last year's number 10, Macy Acquiring Corp., in this year's top 10.

Typically, there was less flux among association advertisers. The top five on last year's list held firm. Holders of positions six through nine traded places, with Honda Dealers Association and the National Live Stock and Meat Board moving up and Hyundai and Toyo Kogyo Co. Auto Dealers Association giving ground. Florists' Transworld Delivery Association bumped the Blue Cross and Blue Shield Association out of tenth place.

Spending by *The Wall Street Journal*'s 10 leading corporate advertisers *(see tables, page 30)* declined 15 percent overall as merger mania receded. Six of the 10 players were fresh entries: Westinghouse (Number 1), U S West (4), Georgia-Pacific (5), American International Group, Inc. (7), CIGNA (9) and CitiCorp (10). All spent less than previous holders of those positions.

Among the repeaters on this year's list, Merrill Lynch dropped from first to sixth place and United Technologies from fourth to

Corporate expenditures

	9-MEDIA TOTAL	Consumer Magazines
REPORT TOTAL		
1989	1,398,193	465,667
1988	1,253,440	388,037
Percent change	11.5%	20.0%
1987	1,175,098	360,753
Percent change	6.7%	7.6%
1986	791,535	341,950
Percent change	48.5%	5.5%
1985	729,215	318,969

Association expenditures

	9-MEDIA TOTAL	Consumer Magazines
REPORT TOTAL		
1989	1,282,025	98,172
1988	1,207,479	87,013
Percent change	6.2%	12.8%
1987	1,103,704	85,643
Percent change	9.4%	1.6%
1986	844,601	79,898
Percent change	30.7%	7.2%
1985	647,065	73,677

Corporate advertising expenditures 1985–1989 nine media

(in $ thousands)

Sunday Magazines	Newspapers	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio
24,455	234,603	6,712	404,374	205,326	7,409	24,504	25,143
13,130	208,602	8,103	437,752	160,452	5,923	12,817	18,325
86.3%	12.5%	(17.2%)	(7.6%)	28.0%	25.1%	91.2%	37.2%
12,084	211,959	8,191	372,852	163,628	6,973	10,767	27,890
8.7%	(1.6%)	(1.1%)	17.4%	(1.9%)	(15.1%)	19.0%	(34.3%)
11,730	—	8,018	252,816	139,948	2,018	9,794	25,262
3.0%	—	2.2%	47.5%	16.9%	245.5%	9.9%	10.4%
10,343	—	4,504	266,973	103,658	—	11,317	13,451

Sunday Magazines	Newspapers	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio
5,353	128,686	5,348	130,266	867,037	7,229	17,079	22,556
4,479	127,121	6,308	173,605	768,395	6,760	15,835	17,962
19.5%	1.2%	(15.2%)	(25.0%)	12.9%	6.9%	7.9%	25.6%
3,614	97,039	7,347	156,625	722,625	5,606	9,685	15,519
23.9%	31.0%	(14.1%)	10.8%	6.3%	20.6%	63.5%	15.7%
5,865	—	8,103	148,509	572,961	3,346	6,160	19,760
(38.4%)	—	(9.3%)	5.5%	26.1%	67.5%	57.2%	(21.5%)
5,474	—	7,201	128,480	412,569	—	3,098	16,565

Source: LNA/Arbitron Multi-Media Services as compiled and published by Leading National Advertisers, Inc. Note: Cable TV media data was added to the database in 1985, syndicated TV in 1986 and newspapers in 1987. The Sunday magazine category was formerly listed as newspaper supplements. Numbers in the database are updated constantly. The numbers appearing on these charts are rounded to the nearest whole digit.

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eighth. Salomon Inc zipped up from sixth to second place, followed by Chase Manhattan, climbing from 10th to third.

In contrast to corporations, association advertising in the *WSJ* rose 13 percent, with the year's first and second place advertisers – the American Gas Association and newcomer Insurance Information Institute – both outpacing last year's top spender. There was some modest shuffling in the ranks among the other six associations that remained on the list in 1989. The Association of Corporate Travel Executives and the American Management Association, both new on the list, came in seventh and ninth, respectively.

Among the media trends indicated by the spending, corporate advertisers continued their traditional preference for print media, primarily because it provides a direct shot at their important audiences. The same logic is driving corporate advertising's growth in cable TV. Those media can deliver the audiences corporate advertisers want.

The continuing growth in niche broadcasting will draw more and more corporate advertising dollars. Network TV's accelerating cost is only going to speed the corporate advertiser's search for electronic media that deliver the right audiences. *–J. F.*

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9/90

Corporations

Parent Company	9-MEDIA TOTAL
1. Sears Roebuck & Co.	91,256
2. Ford Motor Co.	43,955
3. Chrysler Corp.	34,830
4. Campeau Corp.	34,388
5. Prudential Insurance Co. of America	34,278
6. IBM Corp.	33,751
7. Citicorp	33,502
8. General Electric Co.	33,155
9. General Motors Corp.	33,034
10. May Department Stores Co.	32,041
TOP 10 TOTAL	404,189
TOTAL: ALL OTHERS	993,035
REPORT TOTAL (all companies reporting)	1,398,193

Associations

Parent Company	9-MEDIA TOTAL
1. General Motors Corp. Dealers Assn.	288,221
2. Ford Auto Dealers Assn.	165,622
3. Chrysler Corp. Dealers Assn.	117,671
4. American Dairy Assn.	77,171
5. Toyota Auto Dealers Assn.	74,740
6. Honda Dealers Assn.	48,910
7. National Live Stock & Meat Board	38,863
8. Hyundai Group	37,730
9. Toyo Kogyo Co. Auto Dealers Assn.	31,179
10. Florists' Transworld Delivery Assn.	24,595
TOP 10 TOTAL	904,702
TOTAL: ALL OTHERS	360,735
REPORT TOTAL (all companies reporting)	1,282,025

Top 10 corporate ad spenders nine media

January to December 1989
(Ranked by total media dollars in $ thousands)

Consumer Magazines	Sunday Magazines	Newspapers	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio
1,794	1,293	25,279	3	48,570	2,494	351	1,127	10,345
18,311	95	438	65	21,073	115	146	207	3,505
13,422	4,238	—	49	16,372	332	—	416	—
203	15	31,088	—	—	3,082	—	—	—
6,064	—	—	—	25,414	508	—	2,292	—
8,791	760	360	4	23,100	305	30	400	—
10,305	—	—	—	20,287	940	100	1,871	—
4,512	18	222	4	20,600	6,352	—	1,376	71
19,772	1,121	339	1	8,787	673	409	243	1,691
—	72	29,465	—	—	2,504	—	—	—
83,173	7,612	87,192	126	184,202	17,305	1,035	7,932	15,611
382,494	16,842	146,785	6,586	220,172	187,805	6,374	16,572	9,406
465,667	24,455	234,603	6,712	404,374	205,326	7,409	24,504	25,143

Consumer Magazines	Sunday Magazines	Newspapers	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio
39	101	28,921	29	367	258,760	—	4	—
—	—	36,798	975	10	127,839	—	—	—
15	—	3,186	39	220	114,211	—	—	—
159	379	141	702	38,251	21,754	4,083	6,528	5,175
—	11	1,385	—	—	73,344	—	—	—
—	54	2,741	3	—	46,113	—	—	—
12,750	67	59	7	15,445	3,005	53	590	6,887
—	—	316	—	—	37,414	—	—	—
—	—	2,096	—	—	29,081	—	2	—
1,042	—	3,368	9	17,889	21	—	234	2,034
14,005	612	79,011	1,763	72,181	711,542	4,136	7,357	14,096
84,167	4,538	42,279	3,338	58,085	147,054	3,093	9,722	8,460
98,172	5,353	128,686	5,348	130,266	867,337	7,229	17,079	22,556

Source: LNA/Arbitron Multi-Media Services as compiled and published by Leading National Advertisers, Inc. Note: Cable TV media data was added to the database in 1985, syndicated TV in 1986 and newspapers in 1987. The Sunday magazine category was formerly listed as newspaper supplements. Numbers in the database are updated constantly. The numbers appearing on these charts are rounded to the nearest whole digit. Numbers do not add to report total due to rounding, and advertising placed by unidentified companies included in database. *© 1990 by Leading National Advertisers, Inc., Publishers Information Bureau, Inc. and the Arbitron Co.*

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Wall Street Journal advertising

January to December 1989

Top 10 spenders: corporations

	1989 Linage	1989 Dollars
1. Westinghouse Electric Corp.	49,642	2,690,467
2. Salomon Inc	44,791	2,673,348
3. Chase Manhattan Corp.	40,835	2,512,321
4. U S West	39,704	2,478,578
5. Georgia-Pacific Corp.	42,882	2,308,744
6. Merrill Lynch & Co. Inc.	37,580	2,142,164
7. American International Group Inc.	32,609	2,090,596
8. United Technologies Corp.	36,991	2,013,512
9. Cigna Corp.	36,963	2,007,060
10. Citicorp	34,336	1,987,873
TOP 10 TOTAL	396,333	22,904,663
TOTAL: ALL OTHERS	2,048,150	115,375,032
REPORT TOTAL	2,444,483	138,279,695

Top 10 spenders: associations

	1989 Linage	1989 Dollars
1. American Gas Assn. Inc.	16,800	905,112
2. Insurance Information Institute	13,262	756,616
3. Blue Cross & Blue Shield Assn.	10,644	573,396
4. U.S. Council for Energy Awareness	6,132	393,544
5. Teachers Insurance & Annuity Assn. of America	5,320	324,409
6. Ford Auto Dealers Assn.	4,092	310,986
7. Assn. of Corporate Travel Executives Inc.	4,521	243,329
8. Acura Dealers Assn.	2,150	165,438
9. American Management Assn. Inc.	2,493	145,537
10. American Institute of Certified Public Accountants	2,670	143,674
TOP 10 TOTAL	68,084	3,962,041
TOTAL: ALL OTHERS	21,935	1,392,981
REPORT TOTAL	90,019	5,345,022

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